

March 4, 1998

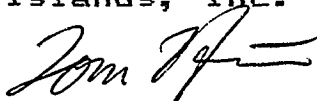
To whom it may concern:

I have farmed on Ryer Island since 1980. From 1980 to 1985 I only farmed orchard crops on the perimeter of the Island. From 1985 to present I have grown both annual crops (Corn, Wheat, Safflower, Sugar Beets and Tomatoes) and orchard crops on Ryer Island. Some of the annual crop ground that we farm is located on the North West side of Ryer Island, Prospect Island is directly to the west of us. In these 12 years that I've farmed in this area we have noticed that when Prospect Island floods our ground is exceptionally wetter than normal. In the earlier years, when the Sakata family farmed Prospect Island, they would fix the levees and pump out Prospect after the threat of high water has passed. We noticed that when they pumped out Prospect our ground would start to dry out, due to the water table lowering.

When Prospect is flooded we have an exceptionally high water table. This reduces the root zone which directly affects plant growth and the results are reduced yields. This has also altered our crop rotation because we have to be very selective in what we can plant in these areas, if at all possible to plant.

When we took over those ranches from the previous farmer, he told us that when Prospect flooded we should expect at least a ton to the acre reduction in grain crop yields. This would amount to about a 30% reduction in yields. To sustain a 30% reduction in yields year after year would make this ground economically un-farmable. This could also greatly reduce the value of the ground.

Tom Hester
Resident Manager
Islands, Inc.



EXHIBIT

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